

Message Text

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ACTION AF-18

INFO OCT-01 EUR-25 ISO-00 CIAE-00 DODE-00 PM-07 H-03

INR-10 L-03 NSAE-00 NSC-10 PA-04 RSC-01 PRS-01 SPC-03

SS-20 USIA-15 ACDA-19 IO-14 EB-11 TRSE-00 FRB-02

COME-00 DRC-01 /168 W

----- 074590

R 071730Z DEC 73

FM AMEMBASSY KINSHASA

TO SECSTATE WASHDC 5807

INFO AMEMBASSY BRUSSELS

AMCONSUL BUKAVU

AMCONSUL KISANGANI

AMCONSUL LUBUMBASHI

C O N F I D E N T I A L KINSHASA 10579

E.O. 11652: GDS

TAGS: PFOR, CG,

SUBJECT: MOBUTU'S NOV. 30 SPEECH - WORLD BANK REACTIONS

1. RESREP OF WORLD BANK (GUETTA) CALLED ON CHARGE
DEC. 7 TO COMPARE NOTES ON LIKELY IMPACT OF MOBUTU'S
NOV. 30 SPEECH (KINSHASA 10325, 10382). GUETTA HAS
SEEN BOTH DIRECTOR OF PRESIDENCY BISENGIMANA AND BELGIAN
AMB. SEVERAL TIMES SINCE SPEECH.

2. GUETTA SAID HE HAD HAD NOT OFFICIAL REACTION FROM
WORLD BANK. A BELGIAN NAMED DE GROOT IN MCNAMARA'S
OFFICE HAD QUERIED HIM FOR DETAILS. GUETTA THEN GAVE
ANALYSIS ALONG LINES KINSHASA 10382. AS FOR LIKELY
BELGIAN REACTION, GUETTA NOTED MOBUTU HAD NOT TOUCHED
BASIC SGM MARKETING AGREEMENT WHICH PROVIDES HIDDEN
COMPENSATION TO BELGIAN STOCKHOLDERS OF NATIONALIZED
UNION MINIERE.

3. GUETTA REFERRED TO ADDITIONAL MEASURES NOT SPELHCD
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OUT IN MOBUTU'S SPEECH WHEREBY ALL "COMMERCE" IS TO BE

IN ZAIRIAN HANDS. WHEN HE QUERIED BISENGIMANA ON THESE, LATTER SAID THEY WERE RELATIVELY UNIMPORTANT. BISENGIMANA STRESSED ZAIRE WOULD COMPENSATE PRESENT OWNERS OF ENTERPRISES AFFECTED OVER A TEN-YEAR PERIOD. TRANSFERS OF PROFITS AND SALARIES STILL PERMITTED AS BEFORE AND THUS DESIGNED ENCOURAGE EXPATRIATES TO REMAIN DURING PERIOD THEY BEING COMPENSATED. BISENGIMANA ALSO AWARE THAT BOOK VALUE WOULD NOT BE FAIR VALUE OF MOST ENTERPRISES AFFECTED.

4. CONCERNING COMMERCIAL ENTREPRISES, GUETTA REMARKED THAT IF COMPENSATION ACTUALLY PAID THIS WOULD BE MUCH MORE GENEROUS TREATMENT THAN THAT ACCORDED IN MOST NEW COUNTRIES AND CITED HIS OWN, TUNISIA, AS AN EXAMPLE.

5. CHARGE SAID US HAD BEEN AUTHORITATIVELY ASSURED US INVESTMENTS NOT WOULD NOT BE AFFECTED. ALSO SAID WE NOT AWARE ANY OFFICIAL GOB REACTION. GUETTA OBSERVED DISTINCTION SHOULD BE MADE BETWEEN COLONIAL TYPE PROBLEMS SUCH AS SUBSIDIARIES OF UNION MINIERE AND FORMINIERE ON ONE HAND AND ZAIRIANIZATION OF COMMERCE. CHARGE COMMENTED THAT AS FOR LATTER, METHOD MQ APPLICATION, EXEMPTIONS GRANTED AND ACTUAL PAYMENT OF COMPENSATION WOULD BE AMONG FACTORS DETERMINING AMOUNT OF EVENTUAL DISLOCATION OF ECONOMY IN THE INTERIOR OF THE COUNTRY. NEWLIN

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